



ARKANSAS

A natural for business





Arkansas CDBG Disaster Funds

CDBG Disaster Funds

In 2008 Arkansas received a total of \$95,222,399 in supplemental CDBG funds from two different appropriations.

These funds were used to address the effects of five presidentially declared disasters.

Funds are to be used for:

- **Disaster relief**
- **Restoration of infrastructure**
- **Long term disaster recovery**

Seventy one of the seventy five counties in Arkansas are eligible under one or more of the five declarations.

The only ineligible counties: Columbia, Ouachita, Polk, and Sevier.

**The first appropriation, announced October 27,
was for \$4,747,501.**

**This funding can only be used in the twelve
counties affected by FEMA Disaster #1758
(Midwest Floods).**

The second appropriation, announced November 26, 2008 was originally for \$20,294,857 (Hurricanes Ike and Gustav).

This funding could be used in any county which is included in any of the five declared disasters.

Method of Distribution

Under the original plan for distribution described in the April 2009 Action Plan, funds were set aside for each of the eight Planning and Economic Development Districts (PDDs) according to a formula based upon the amount of relative damage suffered by the counties and communities in each district.

This formula based system was designed to meet the immediate and short range needs of the affected areas.

Method of Distribution

On August 14, 2009 an additional \$70,181,041 was awarded to the state under the Ike appropriation.

For this second funding round (Known as “Ike-2”) the distribution plan was changed to establish categories for funding on a state-wide competitive basis.

This change was made to target the “*long term economic recovery*” of the affected counties and communities.

Funding Categories for Ike-2 Grants

• Affordable Rental Housing	\$10,134,098
• Drainage and Flood Control	\$10,000,000
• Repair of Existing Water and Sewer Systems	\$10,000,000
• Economic Development	\$10,000,000
• Public Facilities, Bridges, Roads, Sidewalks	\$5,000,000
• Downtown Revitalization	\$5,000,000
• Neighborhood Revitalization	\$5,000,000
• Emergency Shelters	\$5,000,000
• Emergency Power Restoration	\$5,000,000
• Planning	\$2,000,000
• Administration	\$3,046,943

Affordable Rental Housing

At least \$10,134,098 of the total \$90,474,898 Ike appropriation must be used for affordable rental housing.

The affordable rental housing set aside was managed by the Arkansas Development Finance Authority (ADFA) through a Memorandum of Understanding with AEDC.

Things to Consider in Starting a Disaster Program

- 1. Nature of the Disaster**
- 2. Self Administration vs. Hiring a Contractor**
- 3. Method of Distribution**
- 4. Reporting through DRGR**
- 5. Differences Between Regular CDBG and Disaster CDBG**

Things That Slow the Distribution of Funds

1. Informing the public and gathering opinions
2. Hiring and Training New Staff
3. Learning How to Report Using DRGR
4. Reviewing Applications
5. Development of Plans and Specifications
6. Securing Easements, Environmental Reviews, etc.

Why we Moved Slowly

1. **Inexperience with CDBG Disaster**
2. **The Nature of the Disasters in Arkansas**
3. **The Pre-Application Process**
4. **Fear of Making a Mistake**
5. **The CDBG program is Not Designed for Disasters**

Advice to New Disaster Recipients

- 1. Read Action Plans and Distribution Methods from Other Disaster Recipients**
- 2. Get As Much Training As You Can As Soon As You Can**
- 3. Contact FEMA, Your State Disaster Agency and Others for Help**
- 4. Get to Know the People in the HUD Disaster Office**

Arkansas Economic Development Commission
900 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201

Basil Julian

Grants Division Director

Phone: (501)682-7392

bjulian@arkansasedc.com

Jean Noble

Senior Grants Manager

Phone: (501)682-7389

jnoble@arkansasedc.com

Visit our Website: <http://www.arkansasedc.com/>